

**Audited Financial Statements**  
**BOB WOODRUFF FAMILY FOUNDATION, INC.**  
*December 31, 2010*

# Bob Woodruff Family Foundation, Inc.

## Contents

---

<i>Independent Auditor's Report</i>	1
<i>Financial Statements</i>	
Statements of financial position	2
Statements of activities	3
Statement of functional expense - 2010	4
Statement of functional expense - 2009	5
Statements of cash flows	6
Notes to the financial statements	7 - 13

T A T E



T R Y O N

*A Professional Corporation*

*Certified Public*

*Accountants*

*and Consultants*

## Independent Auditor's Report

To the Board of Directors  
Bob Woodruff Family Foundation, Inc.

We have audited the accompanying statements of financial position of Bob Woodruff Family Foundation, Inc. (BWF) as of December 31, 2010 and 2009, and the related statements of activities, functional expense, and cash flows for the years then ended. These financial statements are the responsibility of BWF's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bob Woodruff Family Foundation, Inc. at December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Washington, DC  
March 16, 2011

2021 L STREET, NW

SUITE 400

WASHINGTON, DC

20036

TELEPHONE

202/293-2200

FACSIMILE

202/293-2208

# Bob Woodruff Family Foundation, Inc.

## Statements of Financial Position

<b>December 31,</b>	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Cash - Note B	\$ 1,178,650	\$ 1,516,208
Investments - Notes B & C	564,287	560,338
Contributions receivable - Note D	272,362	189,596
Prepaid expenses	50,533	7,867
Donated goods - Note E	6,500	43,162
Property and equipment - Note F	14,653	25,281
<b>Total assets</b>	<b>\$ 2,086,985</b>	<b>\$ 2,342,452</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 82,228	\$ 90,375
Deferred revenue	44,671	-
Grants payable	-	589,365
Total liabilities	126,899	679,740
Commitment - Note J	-	-
Net assets - Note G		
Unrestricted	1,660,803	1,396,187
Temporarily restricted	299,283	266,525
Total net assets	1,960,086	1,662,712
<b>Total liabilities and net assets</b>	<b>\$ 2,086,985</b>	<b>\$ 2,342,452</b>

# Bob Woodruff Family Foundation, Inc.

## Statements of Activities

<b>Year Ended December 31,</b>	<b>2010</b>	<b>2009</b>
<b>Unrestricted activities</b>		
Revenue and support		
Special events - Note H	\$ 2,417,241	\$ 967,131
Contributions	480,595	701,112
In-kind contributions - Note E	282,974	280,543
Investment income - Note C	3,949	21,950
Other income	3,882	5,511
	<b>3,188,641</b>	1,976,247
Net assets released from restriction - satisfaction of purpose and time restrictions - Note G	<b>587,770</b>	347,468
Total revenue and support	<b>3,776,411</b>	2,323,715
Expense - Note I		
Charitable giving	2,003,290	1,762,225
Public awareness and education	590,719	389,442
Individual giving	454,803	275,080
Collaborative efforts	70,553	19,180
Total program services	<b>3,119,365</b>	2,445,927
Management and general	256,201	268,840
Fund raising	136,229	176,201
Total supporting services	<b>392,430</b>	445,041
Total expense	<b>3,511,795</b>	2,890,968
Change in unrestricted net assets	<b>264,616</b>	(567,253)
<b>Temporarily restricted activities</b>		
Contributions	323,495	271,475
Special events - Note H	297,033	-
Net assets released from restriction - Note G	<b>(587,770)</b>	(347,468)
Change in temporarily restricted net assets	<b>32,758</b>	(75,993)
<b>Change in net assets</b>	<b>297,374</b>	(643,246)
Net assets, beginning of year	1,662,712	2,305,958
<b>Net assets, end of year</b>	<b>\$ 1,960,086</b>	\$ 1,662,712

See notes to the financial statements.

# Bob Woodruff Family Foundation, Inc.

## Statement of Functional Expense

Year Ended December 31, 2010

	Program Services					Supporting Services			Total
	Charitable Giving	Public Awareness and Education	Individual Giving	Collaborative Efforts	Total	Management and General	Fund Raising	Total	
Grants	\$ 1,815,440	\$ -	\$ 40,654	\$ -	\$ 1,856,094	\$ -	\$ -	\$ -	\$ 1,856,094
Contract services	95,874	167,203	69,857	27,392	360,326	41,291	81,347	122,638	482,964
Salaries and payroll taxes	68,623	150,971	27,449	27,449	274,492	91,039	4,598	95,637	370,129
Travel and meetings	6,346	41,190	94,853	3,896	146,285	12,869	10,212	23,081	169,366
Facility and equipment	3,728	80,396	33,057	1,491	118,672	8,376	8,840	17,216	135,888
Gifts and awards		4,864	94,040	3,888	102,792	811	1,619	2,430	105,222
Food service		13,553	51,550		65,103		305	305	65,408
Audio visual		31,835	31,584		63,419		453	453	63,872
Printing and copying	2,902	27,731	5,090	1,967	37,690	12,362	7,032	19,394	57,084
Fees	42	10,416	60	13	10,531	23,888	6,653	30,541	41,072
Bad debt					-	23,223		23,223	23,223
Dues, books, subscriptions, references	138	9,066	55	55	9,314	11,966	462	12,428	21,742
Depreciation and amortization		11,817			11,817	7,781	2,067	9,848	21,665
Employee benefits	3,472	7,639	1,389	1,389	13,889	6,991	316	7,307	21,196
Web site	749	11,435	300	299	12,783	1,611	4,506	6,117	18,900
Postage, shipping and courier	1,933	6,229	2,843	996	12,001	4,843	1,846	6,689	18,690
Telephone and communication	2,852	6,598	1,141	1,241	11,832	5,424	415	5,839	17,671
Publication costs		3,490			3,490		4,435	4,435	7,925
Supplies	589	3,069	290	236	4,184	1,697	433	2,130	6,314
Insurance	602	2,330	241	241	3,414	2,002	380	2,382	5,796
Other		831	350		1,181	27	291	318	1,499
Marketing and promotion		56			56		19	19	75
<b>Total expense</b>	<b>\$ 2,003,290</b>	<b>\$ 590,719</b>	<b>\$ 454,803</b>	<b>\$ 70,553</b>	<b>\$ 3,119,365</b>	<b>\$ 256,201</b>	<b>\$ 136,229</b>	<b>\$ 392,430</b>	<b>\$ 3,511,795</b>

See notes to the financial statements.

# Bob Woodruff Family Foundation, Inc.

## Statement of Functional Expense

Year Ended December 31, 2009

	Program Services					Supporting Services			Total
	Charitable Giving	Public Awareness and Education	Individual Giving	Collaborative Efforts	Total	Management and General	Fund Raising	Total	
Grants	\$ 1,651,237	\$ -	\$ 190,599	\$ -	\$ 1,841,836	\$ -	\$ -	\$ -	\$ 1,841,836
Contract services	35,627	42,505	46,075	488	124,695	28,507	106,218	134,725	259,420
Salaries and payroll taxes	62,079	103,465	31,039	10,347	206,930	132,542	3,556	136,098	343,028
Travel and meetings	5,006	59,516	2,752	4,928	72,202	9,502	14,087	23,589	95,791
Facility and equipment	1,383	36,614	691	230	38,918	7,953	13,803	21,756	60,674
Gifts and awards		1,160	218		1,378	1,320	247	1,567	2,945
Food service		20,198			20,198			-	20,198
Audio visual	249	24,195	124	41	24,609	414	415	829	25,438
Printing and copying	426	15,318	270	71	16,085	1,513	10,819	12,332	28,417
Fees			280		280	20,388	6,959	27,347	27,627
Bad debt					-	18,893		18,893	18,893
Dues, books, subscriptions, references	36	85	18	6	145	11,816	4,189	16,005	16,150
Depreciation and amortization		20,000			20,000	9,630		9,630	29,630
Employee benefits	2,805	4,675	1,402	467	9,349	5,535	155	5,690	15,039
Web site		772			772	2,603	4,415	7,018	7,790
Postage, shipping and courier	662	5,762	254	24	6,702	4,841	3,686	8,527	15,229
Telephone and communication	2,715	4,682	1,358	453	9,208	6,257	282	6,539	15,747
Publication costs					-		7,241	7,241	7,241
Supplies		44,926			44,926	3,605	129	3,734	48,660
Insurance					-	2,813		2,813	2,813
Other		44		2,125	2,169	708		708	2,877
Marketing and promotion		5,525			5,525			-	5,525
<b>Total expense</b>	<b>\$ 1,762,225</b>	<b>\$ 389,442</b>	<b>\$ 275,080</b>	<b>\$ 19,180</b>	<b>\$ 2,445,927</b>	<b>\$ 268,840</b>	<b>\$ 176,201</b>	<b>\$ 445,041</b>	<b>\$ 2,890,968</b>

See notes to the financial statements.

Certain 2009 amounts have been reclassified for comparative purposes.

# Bob Woodruff Family Foundation, Inc.

## Statements of Cash Flows

<b>Year Ended December 31,</b>	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 297,374	\$ (643,246)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt	23,223	18,893
Depreciation and amortization	21,665	29,630
Net gain on investments	(1,128)	-
Reductions in donated goods	36,662	12,714
Changes in assets and liabilities:		
Contributions receivable	(105,989)	126,744
Prepaid expenses	(42,666)	8,484
Accounts payable and accrued expenses	(8,147)	(29,182)
Deferred revenue	44,671	-
Grants payable	(589,365)	425,115
Total adjustments	(621,074)	592,398
Net cash used in operating activities	(323,700)	(50,848)
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	-	1,033,414
Purchases of investments	(2,821)	(560,338)
Purchases of property and equipment	(11,037)	-
Net cash used in investing activities	(13,858)	473,076
<b>Net (decrease) increase in cash</b>	<b>(337,558)</b>	<b>422,228</b>
Cash, beginning of year	1,516,208	1,093,980
<b>Cash, end of year</b>	<b>\$ 1,178,650</b>	<b>\$ 1,516,208</b>
<b>Schedule of noncash investing activities</b>		
Donated securities	\$ 5,894	\$ 4,766

See notes to the financial statements.  
Certain 2009 amounts have been reclassified for comparative purposes.



# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

---

### A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Bob Woodruff Family Foundation, Inc. (BWF) was incorporated in September 2007 under the state of New York as a not-for-profit corporation. BWF provides resources and support to injured service members, veterans and their families -- building a movement to empower communities nationwide to take action to successfully reintegrate our nation's injured heroes—especially those who have sustained the *Hidden Injuries of War*—back into their communities so they may thrive physically, psychologically, socially, and economically.

Income taxes: BWF is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code, and has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

BWF believes that it has appropriate support for any income tax positions taken. Therefore, management has not identified any uncertain income tax positions. At a minimum, the 2007 through 2010 tax years are open for examination by taxing authorities.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue, other than contributions, is recognized when earned and expense when the obligation is incurred.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimates.

Deferred revenue: Revenue received in advance of the period in which it is earned is deferred. Deferred revenue consists primarily of the estimated direct benefit to donor portion of amounts received in advance for 2011 special events.

Contributions: Contributions are recognized when unconditionally promised to, or received by, BWF. Contributions are recorded as unrestricted or temporarily restricted support depending upon the existence and/or nature of any donor restrictions. Within temporarily restricted net assets, amounts are reclassified to unrestricted net assets when the time restriction expires or when the purpose restriction is satisfied.

Program services: Program services descriptions are as follows:

Charitable giving: BWF invests in national and community-based programs that connect our troops to the help they need — from individual needs like physical accommodations, medical care and counseling, to larger social issues like homelessness and suicide.

Public awareness and education: Through a movement called ReMIND.org — BWF educates the public about 1) the needs of service members returning from war and 2) our nation's greater responsibility to ensure our heroes and their families receive the support necessary to successfully reintegrate into their communities.

Individual giving: BWF provides discreet financial assistance to individual injured service members and their families.

Collaborative efforts: BWF collaborates with other experts and organizations, at the federal, state, and local levels, to identify and solve issues related to the return of service members from combat to civilian life.

# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

---

### A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Supporting services: Supporting services descriptions are as follows:

Management and general: Management and general includes activities necessary for the administrative processes of BWF and managing the financial responsibilities of BWF.

Fund raising: Fund raising includes activities that encourage and secure financial support for BWF.

Functional allocation of expense: The costs of providing various program and supporting services activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Subsequent events: Subsequent events have been evaluated through March 16, 2011.

### B. CONCENTRATION OF CREDIT RISK

BWF maintains a demand deposit account with a large commercial bank and certificates of deposit with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to BWF. However, it is BWF's policy to maximize use of guarantees and insurance where available.

### C. INVESTMENTS

In accordance with generally accepted accounting principles, BWF uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing financial instruments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2 – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

### C. INVESTMENTS - CONTINUED

The following is a summary of the input levels used to determine fair values of assets, measured on a recurring basis, at December 31,:

<b>2010</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Certificates of deposit	\$ 558,393	\$ -	\$ 558,393	\$ -
Equity stocks	5,894	5,894		
	<b>\$ 564,287</b>	<b>\$ 5,894</b>	<b>\$ 558,393</b>	<b>\$ -</b>

<b>2009</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Certificates of deposit	\$ 555,572	\$ -	\$ 555,572	\$ -
Equity stocks	4,766	4,766		
	<b>\$ 560,338</b>	<b>\$ 4,766</b>	<b>\$ 555,572</b>	<b>\$ -</b>

Investments, which were classified in Level 2, were valued based on original cost plus accrued interest, which approximates fair value. Management believes the estimated fair value to be a reasonable approximation of the exit price for these investments.

Investment income consisted of the following for the years ended December 31,:

	<b>2010</b>	<b>2009</b>
Interest income	\$ 2,821	\$ 21,950
Net gain on investments	1,128	-
	<b>\$ 3,949</b>	<b>\$ 21,950</b>

# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

### D. CONTRIBUTIONS RECEIVABLE

Contributions receivable primarily consists of Stand Up for Heroes special event receivables and short-term promises to give from donors. Management periodically reviews the status of all receivable balances for collectability which is assessed based on management's knowledge of the donor, BWF's relationship with the donor, and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to bad debt expense and an allowance is recorded.

Contributions receivable consists of the following at December 31,:

	2010	2009
Stand Up For Heroes	\$ 218,542	\$ 122,682
Promises to give	64,727	87,220
Other	3,933	536
	<u>287,202</u>	<u>210,438</u>
Less allowance for doubtful receivables	<u>(14,840)</u>	<u>(20,842)</u>
	<u>\$ 272,362</u>	<u>\$ 189,596</u>

### E. IN-KIND CONTRIBUTIONS

Recorded amounts: In-kind contributions of goods, services, and facilities used for operations or special events are recognized as in-kind contributions in accordance with generally accepted accounting principles.

Donated goods used for special events are included in the costs of direct benefit to donors and donated services are included in contract services expense. In particular, donated auction items are recorded at their estimated fair value as provided by a third party charity auctioneer. Donated auction items of value that have not been auctioned at the end of the year are capitalized at their estimated fair value. Capitalized donated goods are adjusted for the cash received at auction.

Donated services are recognized at fair value if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased by BWF.

Donated facilities are recorded based on the fair value of the office space occupied.

In-kind contributions consist of the following for the years ended December 31,:

	2010	2009
Goods	\$ 276,333	\$ 266,542
Legal	4,080	6,319
Facilities	2,561	7,682
	<u>\$ 282,974</u>	<u>\$ 280,543</u>

# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

### E. IN-KIND CONTRIBUTIONS - CONTINUED

Unrecorded amounts: BWF relies on contributions of both time and expertise from its pool of volunteers. In particular, volunteers work on BWF's programs and fund raising activities. BWF's volunteers donate hundreds of hours of service, the total value of which cannot be easily calculated or estimated, yet these volunteers contribute significantly to the work, impact, and success of BWF. These volunteer services have not been reflected in the accompanying financial statements because the volunteer services provided do not meet the criteria necessary for recognition.

### F. PROPERTY AND EQUIPMENT

Acquisitions of property and equipment greater than \$1,000 are recorded at cost and depreciated using the straight-line method over the following useful lives: website – 2 years; computer software – 3 years; and computer hardware – 5 years.

Property and equipment consists of the following at December 31,:

	2010	2009
Website	\$ 47,602	\$ 47,602
Computer software	20,175	11,200
Computer hardware	12,399	10,336
	80,176	69,138
Less accumulated depreciation and amortization	(65,523)	(43,857)
	<u>\$ 14,653</u>	<u>\$ 25,281</u>

### G. NET ASSETS

Unrestricted net assets: Unrestricted net assets include those net assets whose use has not been restricted by donors. Furthermore, unrestricted net assets have not been designated by the Board of Directors.

Temporarily restricted net assets: Temporarily restricted net assets include those net assets whose use has been donor-restricted for specified purpose or time limitations.

Temporarily restricted net assets consist of the following at December 31,:

	2010	2009
Time restricted	\$ 297,033	\$ -
Purpose restricted		
Special Family Fund	-	265,475
Other programs	2,250	1,050
	<u>\$ 299,283</u>	<u>\$ 266,525</u>

# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

### G. NET ASSETS - CONTINUED

Net assets released from restriction consist of the following for the years ended December 31,:

	2010	2009
Satisfaction of program restrictions	\$ 587,770	\$ 55,336
Satisfaction of time restrictions	<u>-</u>	<u>292,132</u>
	<u>\$ 587,770</u>	<u>\$ 347,468</u>

### H. SPECIAL EVENTS

BWF conducts special events in which a portion of the gross proceeds paid represents both a contribution and a payment for the direct benefits received by the participant at the event. The fair value of meals and entertainment provided at the special events is measured at the actual cost to BWF. The direct costs of the special events, which ultimately benefit the donor rather than BWF, are recorded as program services expense. Special events revenue relating only to the direct benefit to donors amounted to \$100,587 and \$31,870, during the years ended December 31, 2010 and 2009, respectively.

### I. ALLOCATION OF JOINT COSTS

BWF conducted special events that had both a program services component and an appeal for contributions. As a result, BWF incurred joint costs of \$416,608 and \$138,262, during the years ended December 31, 2010 and 2009, respectively.

BWF's joint costs were allocated between program services and fund raising as follows for the years ended December 31,:

	2010	2009
Program services	\$ 345,924	\$ 83,104
Fund raising	<u>72,684</u>	<u>55,158</u>
	<u>\$ 418,608</u>	<u>\$ 138,262</u>

# Bob Woodruff Family Foundation, Inc.

## Notes to the Financial Statements

---

### J. COMMITMENT

BWF leases office space under two annual operating lease agreements. One of the agreements terminates February 2012 and the other terminates March 2012. In addition, one of the agreements includes an abatement of four months' rent. Rent expense under the two lease agreements, excluding pass through operating expenses and storage fees, amounted to \$20,081 during the year ended December 31, 2010.

Future minimum lease payments under the office lease agreements are as follows:

Year Ending December 31,	Amount
2011	\$ 38,025
2012	<u>6,885</u>
	<u><b>\$ 44,910</b></u>